

**SECOND AMENDMENT TO
THE PRIMARY HOSPITAL
SERVICES AGREEMENT**

This Second Amendment to the Primary Hospital Services Agreement ("Amendment") is entered into and is effective this first day of February, 2009 ("Effective Date of Amendment"), by and between the Santa Cruz/Monterey Managed Medical Care Commission, doing business as the Central Coast Alliance for Health, a public entity organized under the laws of the State of California, hereinafter referred to as "Plan"; and Natividad Medical Center, a County Hospital, hereinafter referred to as "Contractor".

RECITALS

- A. Plan and Contractor entered into the Primary Hospital Services Agreement effective July 1, 2007 and the First Amendment to the Primary Hospital Services Agreement effective October 1, 2008 (together the "Agreement").
- B. Both Plan and Contractor desire to change certain terms of the Agreement.
- C. Subject to any necessary approval by the State, this Amendment shall be effective on the Effective Date of Amendment set forth above.
- D. References to Sections and Exhibits below are to Sections and Exhibits, respectively, of the Agreement.

NOW, THEREFORE, the parties hereby amend the terms of the Agreement as follows:

- 1. Add the following at the end of Exhibit 3:

"D. Access for Infants and Mothers Program

- 1. State Access for Infants and Mothers ('AIM') Contract. The State AIM Contract is the Membership Contract that Plan has entered into or may enter into with the State of California Managed Risk Medical Insurance Board under which Monterey individuals eligible for the AIM Program and enrolled with Plan will receive all specified health care services.
- 2. AIM Members. AIM Members are Other Members. AIM Members include Monterey AIM Members.
 - (a) Monterey AIM Member means any person who is eligible for and participates in the AIM Program, who resides in Monterey County and who is enrolled with Plan pursuant to Plan's State AIM Contract.

3. Covered Benefits. Covered Benefits for AIM Members are the Medically Necessary health care services and benefits which the AIM Member is entitled to receive, provided by and through Plan, under its State AIM Contract. The State AIM Contract currently covers Medically Necessary health care services and benefits set forth in Article 3, Chapter 5.6, Title 10 of the California Code of Regulations beginning with Section 2699.300. Covered Benefits for AIM Members are further described in the applicable Member Evidence of Coverage document. With respect to preventive pediatric health care services provided to AIM Members, Contractor will follow the most recent recommendations of the Recommended Childhood Immunization Schedule/United States adopted by the American Academy of Pediatrics, the Advisory committee on Immunization Practices (ACIP), and the American Academy of Family Physicians. Contractor shall provide immunizations for adult AIM Members as recommended by the ACIP. Health education related to tobacco use is a Covered Benefit under the AIM Program and the State AIM Contract requires Plan to encourage its Providers, including Contractor, to (i) provide a smoke free environment for Members, (ii) offer Members smoking cessation services and assistance in tobacco avoidance, (iii) include tobacco exposure questions in health history and review for family history of tobacco related conditions, and (iv) encourage Members using tobacco products or exposed to second hand smoke to attend an anti-tobacco use program.
4. Exclusions. Services excluded under the AIM Program by Article 3, Chapter 5.6, Title 10 of the California Code of Regulations and services excluded under the State AIM Contract are not Covered Benefits for AIM Members under this Agreement and Plan shall not pay Contractor for the provision of such excluded services to AIM Members. Exclusions for AIM Members are further described in the applicable Member Evidence of Coverage document.
5. Copayments. There are no copayments payable by AIM Members pursuant to the State AIM Contract. Contractor shall not charge any copayments to AIM Members.
6. Emergency Services. For AIM Members, Emergency Services shall mean twenty-four hour health care services required for a medical condition manifesting itself by acute symptoms of a sufficient severity (including active labor or severe pain) such that the absence of immediate medical attention could reasonably be expected to result in any of the following: a) placing the Member's health in serious jeopardy, b) serious impairment to bodily functions, or c) serious dysfunction of any bodily organ or part. According to California Health and Safety Code Section 1317.1, emergency services and care include (i) screenings, examinations, and evaluations for the purpose of determining whether a psychiatric emergency medical condition exists and (ii) the treatment necessary to relieve or eliminate the psychiatric emergency medical condition.

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7. Self-Referral Services. For AIM Members, Self-Referral Services include family planning/sensitive services.
8. Compliance with the AIM Program. Contractor represents, certifies and warrants that it is currently, and for the duration of this Agreement shall remain in compliance with all applicable local, State and federal laws and regulations necessary for participation in the AIM Program.
9. Rate Schedule, Effective February 1, 2009.
 - a. Hospital Inpatient Services Reimbursement.
 - (1)

(2) Definitions of Days of Service

- (a) 'Acute Medical/Surgical Day' shall mean an Inpatient Day approved by Plan in a Hospital for the provision of medical or surgical Inpatient Hospital Services not specifically designated as another Day of Service category set forth in this Section (2) (b) through (h).
- (b) 'Acute Pediatric Day' shall mean an Inpatient Day approved by Plan in a Hospital for the provision of pediatric Inpatient Hospital Services not specifically designated as another Day of Service category set forth in this Section (2) (a) or (c) through (h).
- (c) 'Maternity Day' shall mean an Inpatient Day approved by Plan in a Hospital for a mother delivering a baby(ies), through normal or C-

Section delivery. The related per diem rate includes payment for Covered Services for mother only.

- (d) 'Nursery Level I Day' shall mean an Inpatient Day approved by Plan in a Hospital for a baby(ies), delivered by a mother through normal or C-Section delivery when the newborn child (children) is an inpatient at Contractor and is receiving Level I Nursery care, during the period when the mother is also an inpatient at Contractor. The related per diem rate includes payment for Covered Services for newborn child (children) only.
 - (e) 'Nursery Level II Day' shall mean an Inpatient Day approved by Plan in a Hospital for a baby(ies), delivered by a mother through normal or C-Section delivery when the newborn child (children) is an inpatient at Contractor and is receiving Level II Nursery care, during the period when the mother is also an inpatient at Contractor. The related per diem rate includes payment for Covered Services for newborn child (children) only.
 - (f) 'ICU/NICU III /Cardiac Surgery Day' shall mean an Inpatient Day approved by Plan in a Hospital for ICU/NICU III/Cardiac Surgery Services. NICU III Services are covered for the newborn child (children) under the AIM Program during the period when the mother is also an inpatient at Contractor.
 - (g) 'Acute Rehabilitation Day' shall mean an Inpatient Day approved by Plan in a Hospital for acute rehabilitation Services.
 - (h) 'Administrative Day' shall mean an Inpatient Day approved by Plan in a Hospital for which acute inpatient care is not required.
- b. Hospital Outpatient and Emergency Room Services Reimbursement.

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excluded from this Agreement and shall be referred to such clinical laboratory."

- 2. In all other respects, the provisions of the Agreement are ratified and reconfirmed. In the event there is any inconsistency between the terms of this Amendment and the terms of the Agreement, the terms of this Amendment shall control. The Agreement, as amended, is the entire agreement of the parties and supersedes all prior negotiations, proposals or understandings relating to the subject matter of the Agreement.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective duly authorized representatives.

Plan
 Central Coast Alliance for Health
 By: *Ellen Pirie*
 Print Name: Ellen Pirie
 Title: Chairperson
 Date: 3-31-09

Contractor
 By: *[Signature]*
 Print Name: HARRY WEIS
 Title: CFO
 Date: 02/06/09

Natividad Medical Center